Republic of the Philippines
Public-Private Partnership Center

PRESENTATION FOR THE 17TH AUSTRALIAN CONSULTING SERVICES MISSION

March 23, 2017
• Commenced in April 2011 with ADB, Australian, and Canadian participation

• Two main components:
  – Capacity building of the PPP Center and Implementing Agencies and improvement of the Enabling Environment for PPPs ($10.2 million)
  – Fund for Preparation and Bidding of Bankable PPP projects or PDMF (Philippine Government: $83.9 million, Australian Government: $18.0 million)
Collaboration between the Philippines and Australia under the CDTA

- GHD won capacity building contract for extensive PPP training, PPP Manuals, Policy Papers, Sector Guidelines, IT (2012 – 2014)
- Twinning Partnership with Infrastructure New South Wales – MOU signed May 2014 – exchange program and knowledge training on PPPs (Ongoing)
- One-on-One Investors Roundtable in Sydney and Melbourne (Nov 2014);
- PPP Dialogue with Australian PPP Experts, Melbourne (May 2015) and Cebu City, Philippines (Aug 2015)
- Legal Training on PPPs by DLA Piper Australia, Manila (Nov 2016)
Philippine PPP Program

PPP Program is geared towards **INCLUSIVE GROWTH**

Private sector as partner in development

PPP as one of the strategies to accelerate infrastructure development

PPP center as the champion for public-private partnerships
INFRASTRUCTURE FLAGSHIP PROJECTS
in line with the 10-point Socioeconomic Agenda

3. Increase competitiveness and the ease of doing business.
   - Enhance mobility or increase passenger and cargo throughput
     - LRT Line 1 North Extension - Common Station/DOTr
     - MRT 3 Capacity Expansion/DOTr
   - Bonifacio Global City to Ortigas Link Road/DPWH
   - LRT Line 2 East Extension/DOTr-LRTA
   - LRT Line 2 West Extension/DOTr-LRTA
   - LRT Line 4 Project/DOTr
   - Integrated Transport System - North Terminal/DOTr
   - New Cebu International Port/CFA
   - Free WiFi Project/DICT

4. Improve connectivity by addressing gaps in physical infrastructure
   - Clark International Airport (CIK) - Construction of a Budget/Low Cost Center (LCC) Terminal/DOTr-CIA
   - North-South Commuter Railway (NSCR)/DOTr
   - North-South Railway Project (NSRP) Commuter and South Line/DOTr
   - Clark Rail Transit System/BCDA
   - Cebu-Bacolod Link Bridge/DPWH
   - Mindanao Railway Project/DOTr
   - Metro Manila Flood Management Project Phase I/MBDA
   - Pasig-Marikina River Channel Improvement Project (PMRCP), Phase III, Metro Manila/DPWH
   - Cagayan River Flood Mitigation Project, Tuguegarao City and Enfite, Cagayan/DPWH
   - Integrated Disaster Risk Reduction and Climate Change Adaptation Measures in the Low-lying Areas of Pampanga Bay, Pampanga/DPWH
   - Flood Risk Management Project for Cagayan de Oro River (PRAMP-CDOR)/DPWH

5. Reduce economic losses and damages due to flooding
   - Tumauini River Multipurpose Project/NIA
   - Chico River Pump Irrigation Project/NIA
   - Kabalian 2 Multipurpose Irrigation & Power Project/NIA
   - Ilocos Norte Irrigation Project (INRP) Stage II/Pagudpud River Multipurpose Project/NIA
   - National Irrigation Sector Rehabilitation & Improvement Project (NISRP)/NIA
   - Jalaur River Multipurpose Project Stage II/NIA
   - Casecan MPHP, Phase II/NIA
   - Balog-Balog MPHP, Phase II/NIA
   - Malutbog-Maligaya Irrigation Project Phase II/NIA
   - Agno River Irrigation System Extension Project (ARSEP)/NIA

6. Promote rural and value chain development toward increasing agricultural and rural enterprise productivity and rural tourism.
   - Access to Sustainable Energy Programme (ASEP)/DOE
   - Nationwide Intensification of Household Electrification (NIHE)/DOE
   - Site Electrification Program (SEP)/NEA
   - Provision for Potable Water Supply - Sagana at Lispa na Talita (SALINTUBIG)/DILG

7. Invest in human capital development, including health and education systems, and match skills and training.
   - Provide safe, secure, adequate, and satisfactory educational facilities
     - Basic Education Facilities Program/DepED
     - DepEd Computerization Program
     - Health Facilities Enhancement Program (HFEP)/DOH
   - Enhance the learning processes
   - Improve and upgrade health care facilities

8. Accelerate annual infrastructure spending to account for 5% of GDP, with Public-Private Partnerships playing a key role.
   - Develop the country’s capacity in research and development (R&D) and the application of nuclear science and technology
   - Establishment of a Research Reactor, Department of Science and Technology/DOST-PNR

NEDA Infrastructure Staff
NDO for Investment Programming
Copy as of 08 July 2016
PPP Center of the Philippines

MANDATE: Projects, Policy & Capacity

1 Identify
2 Prepare
3 Approve
4 Procure
5 Implement

Projects

Policy reforms to enhance enabling environment
Capacity building to improve skills of implementing and oversight agencies
PPP Projects

as of Mar. 2017

US$1 = PHP 50

Awarded Projects
US$ 6.2 Billion*
15

Projects under Procurement
US$ 3.2 Billion
9

Under Review by Implementing Agencies
US$ 3.2 Billion
6

For Approval
2

Unsolicited Proposals under Evaluation by Implementing Agencies
3

Projects under Development
21

56 PROJECTS
PHP 631 BILLION

* Projects started from 2010 onwards (excluding terminated MPOC) and 2 projects developed before 2010 (MRT 7 and Skyway Stage 3)
PRIVATE SECTOR PARTICIPATION

- Bidder
- Lender
- Contractor
- Operations and Maintenance Provider
- Transaction Advisor
- Independent Consultant
Current Initiatives

- Resuming *procurement process* and building *pipeline of PPP projects*

- **Passing PPP Act** to institutionalize existing PPP best practices and further enhance PPP program

- Streamlining and improving *PPP process*, including *framework for unsolicited processes*

- Building capacity of *local government units* to undertake PPP projects

- Developing *capital markets* as financing option for PPPs
PROJECT DEVELOPMENT AND MONITORING FACILITY (PDMF)
PDMF – Legal Basis

Executive Order No. 8, s. 2010
- PPP Center to manage and administer the PDMF
- Php300M, initial funding

Executive Order No. 136, s. 2013
- Established the PPP Governing Board and the PDMF Committee
- Allowed the collection of reasonable fees for the use of the PDMF

Sources of Funds
- Government of the Philippines
- Australian Government through ADB
- Reflows
- Cost Recovery Fee
USD 100 million revolving facility managed by PPP Center and used by implementing agencies for procurement of consultants

- Project Preparation and Transaction Support
  - Feasibility study and project structuring
  - Management of bid process
  - Support until financial close

- Probity Advisory
  - Independent oversight during bidding process to ensure integrity and fairness
  - Assessment of and advisory on probity issues

- Implementation and Monitoring
  - Independent review and monitoring of activities related to design, construction, operations and/or maintenance
PDMF – Consultant Selection

Uses the *Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers* (2013, as may be amended from time to time)

Two-Stage Selection Process

- 1\textsuperscript{st} Stage: Pre-qualification of Consulting Firms (Panel)
- 2\textsuperscript{nd} Stage: Call-down Assignments
### PDMF – Consulting Opportunities

<table>
<thead>
<tr>
<th>Project</th>
<th>Details</th>
</tr>
</thead>
</table>
| **Project Preparation and Transaction Advisory (PPTA)** | • 6 Australian firms participated either as Lead or Sub-Consultant in 10 PPP Projects  
• 5 Expressions of Interest (EOIs) – ‘Refreshed’ Panel |
| **Probity Advisory (PA)**                  | • 8 EOIs from Australian firms either as Lead Firm, Joint Venture partner, or Sub-consultant |
| **Independent Consultants (IC)**           | • 4 EOIs from Australian firms either as Lead Firm, Joint Venture partner, or Sub-consultant |
Awarded PDMF-Supported Projects

- **Cavite-Laguna Expressway**  
  US$ 708 mn

- **NLeX-SLeX Connector Road**  
  US$ 464 mn

- **Automatic Fare Collection System**  
  US$ 34 mn

- **Southwest Integrated Transport System**  
  US$ 50 mn

- **South Integrated Transport System**  
  US$ 104 mn

- **Bulacan Bulk Water Supply**  
  US$ 488 mn

- **Mactan-Cebu International Airport**  
  US$ 350 mn

- **Civil Registry System IT (Phase II)**  
  US$ 32 mn

- **PPP for School Infrastructure (Phase I)**  
  US$ 198 mn

- **PPP for School Infrastructure (Phase II)**  
  US$ 78 mn

- **Cavite-Laguna Expressway**  
  US$ 708 mn

- **NLEx-SLeX Connector Road**  
  US$ 464 mn

- **Automotive Fare Collection System**  
  US$ 34 mn

- **Southwest Integrated Transport System**  
  US$ 50 mn

- **South Integrated Transport System**  
  US$ 104 mn

- **Bulacan Bulk Water Supply**  
  US$ 488 mn

- **Mactan-Cebu International Airport**  
  US$ 350 mn

- **Civil Registry System IT (Phase II)**  
  US$ 32 mn
PPP Projects: Under Procurement

- Bacolod Airport O&M & Dev’t US$ 406 mn
- Iloilo Airport O&M & Dev’t US$ 608 mn
- Laguindingan Airport O&M & Dev’t US$ 292 mn
- Davao Airport O&M & Dev’t US$ 812 mn
- New Bohol (Panglao) Airport O&M & Dev’t US$ 92 mn
- LRT Line 2 O&M no capex
- Road Transport IT Infrastructure (Phase II) US$ 6 mn
- Regional Prison Facilities US$ 1,004 mn
- New Nayong Pilipino US$ 30 mn
PPP Projects: Under Review and for Approval

- **NAIA Development**
  - US$ 1,492 mn

- **LRT Line 6**
  - US$ 1,302 mn

- **North-South Railway – South Line**

- **East-West Rail**
  - (unsolicited proposal)

- **New Centennial Water Source – Kaliwa Dam**
  - US$ 374 mn

- **Manila Bay Integrated Flood Control, Coastal Defense and Expressway**
  - (unsolicited proposal)
End of Presentation